

**STATE FIRE AND TORNADO FUND**  
**INVESTMENT PERFORMANCE REPORT AS OF AUGUST 31, 2003**

	August-03				July-03				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Month	Net ROR	Market Value	Allocation	Month	Net ROR	FYTD	FY03	Ended	Ended
									Net	Net	6/30/2003	6/30/2003
											Net	Net
<b>LARGE CAP DOMESTIC EQUITY</b>												
<i>Structured Growth</i>												
Los Angeles Capital	435,310	2.3%	2.3%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
AllianceBernstein	0	0.0%	0.0%	N/A	416,886	2.3%	2.3%	3.53%	N/A	-1.88%	-21.24%	-6.07%
<b>Total Structured Growth</b>	<b>435,311</b>	<b>2.3%</b>	<b>2.3%</b>	<b>3.11%</b>	<b>416,886</b>	<b>2.3%</b>	<b>2.3%</b>	<b>3.53%</b>	<b>6.74%</b>	<b>-1.88%</b>	<b>-21.24%</b>	<b>-6.07%</b>
Russell 1000 Growth				2.49%				2.49%	5.04%	2.94%	-21.54%	-5.03%
<i>Structured Value</i>												
<b>LSV</b>	<b>412,037</b>	<b>2.2%</b>	<b>2.3%</b>	<b>3.26%</b>	<b>394,356</b>	<b>2.2%</b>	<b>2.3%</b>	<b>1.53%</b>	<b>4.85%</b>	<b>-2.25%</b>	<b>8.84%</b>	<b>3.73%</b>
Russell 1000 Value				1.56%				1.49%	3.07%	-1.02%	-0.19%	1.05%
<i>S&amp;P 500 Index</i>												
<b>State Street</b>	<b>1,960,417</b>	<b>10.5%</b>	<b>10.5%</b>	<b>1.95%</b>	<b>1,899,174</b>	<b>10.6%</b>	<b>10.5%</b>	<b>1.77%</b>	<b>3.75%</b>	<b>0.23%</b>	<b>-11.28%</b>	<b>-1.69%</b>
S&P 500				1.95%				1.76%	3.74%	0.25%	-11.20%	-1.62%
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	<b>2,807,765</b>	<b>15.1%</b>	<b>15.0%</b>	<b>2.32%</b>	<b>3,127,301</b>	<b>17.4%</b>	<b>15.0%</b>	<b>2.00%</b>	<b>4.36%</b>	<b>-0.48%</b>	<b>-9.33%</b>	<b>-1.90%</b>
S&P 500				1.95%				1.76%	3.74%	0.25%	-11.20%	-1.62%
<b>SMALL CAP DOMESTIC EQUITY</b>												
<i>Manager-of-Managers</i>												
<b>SEI</b>	<b>960,525</b>	<b>5.2%</b>	<b>5.0%</b>	<b>4.83%</b>	<b>937,333</b>	<b>5.2%</b>	<b>5.0%</b>	<b>6.11%</b>	<b>11.24%</b>	<b>0.09%</b>	<b>N/A</b>	<b>N/A</b>
Russell 2000 + 200bp				4.75%				6.43%	11.48%	0.36%	N/A	N/A
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	<b>960,525</b>	<b>5.2%</b>	<b>5.0%</b>	<b>4.83%</b>	<b>937,333</b>	<b>5.2%</b>	<b>5.0%</b>	<b>6.11%</b>	<b>11.24%</b>	<b>0.09%</b>	<b>-3.49%</b>	<b>1.64%</b>
Russell 2000				4.58%				6.26%	11.13%	-1.63%	-3.30%	0.97%
<b>CONVERTIBLES</b>												
<b>TCW</b>	<b>1,846,700</b>	<b>9.9%</b>	<b>10.0%</b>	<b>0.67%</b>	<b>1,784,614</b>	<b>9.9%</b>	<b>10.0%</b>	<b>1.23%</b>	<b>1.90%</b>	<b>10.23%</b>	<b>-9.51%</b>	<b>3.90%</b>
First Boston Convertible Index				1.64%				0.45%	2.10%	15.46%	-3.77%	5.29%
<b>INTERNATIONAL EQUITY</b>												
<i>Large Cap - Active</i>												
<b>Capital Guardian</b>	<b>1,525,407</b>	<b>8.2%</b>	<b>8.0%</b>	<b>3.43%</b>	<b>1,486,746</b>	<b>8.3%</b>	<b>8.0%</b>	<b>4.79%</b>	<b>8.39%</b>	<b>-10.31%</b>	<b>-15.85%</b>	<b>0.02%</b>
MSCI EAFE - 50% Hedged				2.77%				3.28%	6.14%	-11.24%	-15.51%	-5.33%
<i>Small Cap - Value</i>												
<b>Lazard</b>	<b>187,389</b>	<b>1.0%</b>	<b>1.0%</b>	<b>3.10%</b>	<b>183,360</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.00%</b>	<b>4.13%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Citigroup Broad Market Index < \$2BN				6.30%				3.20%	9.70%	N/A	N/A	N/A
<i>Small Cap - Growth</i>												
<b>Vanguard</b>	<b>182,146</b>	<b>1.0%</b>	<b>1.0%</b>	<b>4.08%</b>	<b>176,536</b>	<b>1.0%</b>	<b>1.0%</b>	<b>4.78%</b>	<b>9.06%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
SSB BROAD MARKET INDEX < \$2BN				6.30%				3.20%	9.70%	N/A	N/A	N/A
<b>TOTAL INTERNATIONAL EQUITY</b>	<b>1,894,942</b>	<b>10.2%</b>	<b>10.0%</b>	<b>3.46%</b>	<b>1,846,642</b>	<b>10.3%</b>	<b>10.0%</b>	<b>4.40%</b>	<b>8.01%</b>	<b>-9.20%</b>	<b>-15.51%</b>	<b>0.27%</b>
MSCI EAFE - 50% Hedged				2.77%				3.28%	6.14%	-11.24%	-15.51%	-5.33%
<b>DOMESTIC FIXED INCOME</b>												
<i>Core Bond</i>												
<b>Western Asset</b>	<b>4,660,567</b>	<b>25.1%</b>	<b>25.0%</b>	<b>1.41%</b>	<b>4,277,032</b>	<b>23.8%</b>	<b>25.0%</b>	<b>-4.77%</b>	<b>-3.42%</b>	<b>12.77%</b>	<b>11.23%</b>	<b>8.12%</b>
Lehman Aggregate				0.66%				-3.36%	-2.72%	10.39%	10.07%	7.54%
<i>Index</i>												
<b>Bank of ND</b>	<b>2,569,241</b>	<b>13.8%</b>	<b>15.0%</b>	<b>0.60%</b>	<b>2,373,718</b>	<b>13.2%</b>	<b>15.0%</b>	<b>-4.02%</b>	<b>-3.45%</b>	<b>13.26%</b>	<b>10.87%</b>	<b>7.78%</b>
Lehman Gov/Credit				0.66%				-4.19%	-3.56%	13.14%	10.82%	7.83%
<i>BBB Average Quality</i>												
<b>Strong</b>	<b>2,014,531</b>	<b>10.8%</b>	<b>10.0%</b>	<b>0.99%</b>	<b>1,847,696</b>	<b>10.3%</b>	<b>10.0%</b>	<b>-4.61%</b>	<b>-3.67%</b>	<b>17.91%</b>	<b>N/A</b>	<b>N/A</b>
Lehman US Credit BAA				0.98%				-4.49%	-3.55%	18.33%	N/A	N/A
<b>TOTAL DOMESTIC FIXED INCOME</b>	<b>9,244,339</b>	<b>49.7%</b>	<b>50.0%</b>	<b>1.09%</b>	<b>8,498,446</b>	<b>47.3%</b>	<b>50.0%</b>	<b>-4.53%</b>	<b>-3.48%</b>	<b>13.18%</b>	<b>10.80%</b>	<b>7.81%</b>
Lehman Gov/Credit				0.66%				-4.19%	-3.56%	13.14%	10.82%	7.83%
<b>CASH EQUIVALENTS</b>												
<b>Bank of ND</b>	<b>1,832,363</b>	<b>9.9%</b>	<b>10.0%</b>	<b>0.10%</b>	<b>1,773,343</b>	<b>9.9%</b>	<b>10.0%</b>	<b>0.09%</b>	<b>0.19%</b>	<b>1.57%</b>	<b>3.26%</b>	<b>4.15%</b>
90 Day T-Bill				0.08%				0.07%	0.15%	1.52%	3.33%	4.08%
<b>TOTAL FIRE &amp; TORNADO FUND</b>	<b>18,586,634</b>	<b>100.0%</b>	<b>100.0%</b>	<b>1.60%</b>	<b>17,967,679</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-1.05%</b>	<b>0.54%</b>	<b>7.25%</b>	<b>1.67%</b>	<b>4.94%</b>
POLICY TARGET BENCHMARK				1.24%				-1.20%	0.03%	7.25%	2.12%	4.52%

NOTE: Monthly returns and market values are preliminary and subject to change.